

# **Seed Grants to States for Qualified High-Risk Pools**

## **OVERVIEW INFORMATION**

### **Agency Name**

Health and Human Services/Centers for Medicare & Medicaid Services/Center for Medicaid and State Operations

### **Funding Opportunity Title**

Seed Grants to States for Qualified High-Risk Pools

### **Announcement Type**

Modification - this grant opportunity was extended under the “Deficit Reduction Act of 2005,” Public Law 109-171, enacted February 8, 2006, and the “State High Risk Pool Funding Extension Act of 2006”; Public Law 109-172, enacted February 10, 2006

### **Funding Opportunity No.**

HHS-2006-CMS-HRP-0003

### **Catalog of Federal Domestic Assistance 22No. (CFDA)**

93.781

### **Key Dates**

|                                     |               |
|-------------------------------------|---------------|
| Application posting date:           | May 1, 2006   |
| Notice of Intent to Apply due date: | May 30, 2006  |
| Application due date:               | June 30, 2006 |

## **FULL TEXT OF ANNOUNCEMENT**

### **I. Funding Opportunity Description**

The Centers for Medicare & Medicaid Services will make grants available from the appropriations authorized under section 2745(d)(1)(A) of the Public Health Service Act (PHS Act) for the costs of creation and initial operation of qualified high risk pools by States that had not created such a pool as of February 10, 2006, the date of enactment of the State High Risk Pool Funding Extension Act of 2006.

A qualified high risk pool as defined in sections 2744(c)(2) and 2745(g) of the PHS Act is a risk pool that (a) provides to all eligible individuals health insurance coverage (or comparable coverage) that does not impose any preexisting condition exclusion with respect to such coverage for all eligible individuals, except that it may provide for enrollment of eligible individuals through an acceptable alternative mechanism (as defined for purposes of section 2744) that includes a high risk pool as a component, and (b) provides for premium rates and covered benefits for such coverage consistent with standards included in the NAIC Model Health Plan for Uninsurable Individuals Act that was in effect at the time of the enactment of the Health Insurance Portability and Accountability Act of 1996 (August 21, 1996).

### **II. Award Information**

|  |  |
|--|--|
| Award Type:  | Grant  |
| Total amount of funding:   | \$15 million   |
| Anticipated number of awards:  | Multiple awards  |
| Individual award amounts:  | Up to \$1,000,000  |
| Anticipated award dates:   | September 30, 2006   |
| Period of performance:   | September 30, 2006-March 31, 2008  |
| Whether renewal or supplements of existing projects are eligible to compete with new awards: | This award is available only to States and Territories that did not have a qualified high risk pool as of February 10, 2006. |

### **III. Eligibility Information**

#### **1. Eligible Applicants**

Any State that did not have a qualified high-risk pool established as of February 10, 2006 is eligible to apply for a Seed Grant. The term "State" means any of the 50 States and the District of Columbia and includes the territories of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

#### **2. Cost Sharing or Matching**

No cost sharing or matching applies to the Seed Grant to states for the creation of a qualified high risk pool.

### **IV. Application and Submission Information**

## **1. Address to Request Application**

A complete electronic application package, including all required forms for the Seed Grants to States for Qualified High Risk Pools is available at [www.grants.gov](http://www.grants.gov).

Standard application and forms and related instructions are also available from Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Groups, MS C2-21-15, 7500 Security Blvd, Baltimore, MD 21244-1850, (410) 786-5158 or by e-mail at [Nicole.Nicholson@cms.hhs.gov](mailto:Nicole.Nicholson@cms.hhs.gov).

## **2. Content and Form of Application Submission**

**A. Form of Application Submissions** – Only in the event that the electronic submission of the application has failed through [www.grants.gov](http://www.grants.gov) should the applicant submit an original and two copies of the application which must be in the following format:

- 8.5 x11” letter-sized white paper with 1” margins (top, bottom and sides);
- No binding, staples or tabs;
- Written in English with black ink;
- Single-sided, single-spaced using no smaller than 12 point font; and.
- Narrative sections sequentially numbered.

If the electronic submission of the application has failed through [www.grants.gov](http://www.grants.gov) the applicant should include a copy of the failed submission notice from [www.grants.gov](http://www.grants.gov) with the paper application submission.

## **B. Contents of the Application**

### **1. Notice of Intent to Apply**

Applicants are strongly encouraged to submit a Notice of Intent to Apply for the Seed Grants. Notices of Intent are not required and a submission or failure to submit has no bearing on the review of your application. CMS will use the Notice of Intent for planning of the review process. The Notice of Intent should include: Name of the State, Contact Name and Title, Address, Phone, Facsimile, e-mail address and a brief description of the type of seed grant mechanism. See Attachment I for a sample of the Notice of Intent. All Notices of Intent to Apply must be faxed or e-mailed by May 30, 2006 to Nicole Nicholson at (410) 786-9088 (fax) or e-mail [Nicole.Nicholson@cms.hhs.gov](mailto:Nicole.Nicholson@cms.hhs.gov).

### **2. Grant Application Submission Check Off Coversheet**

This form is only intended to assist the applicant in identifying the contents of the completed grant application for submission to CMS.

### **3. Standard Forms (SF)**

Standard forms must be completed using the instructions provided at [www.grants.gov](http://www.grants.gov). The following standard forms must be completed with an original signature and enclosed as part of the application.

SF 424: Application for Federal Assistance  
SF 424 A: Budget Information  
SF 424 B: Assurances  
SF-LLL Disclosure of Lobbying Activities

In the event that the electronic submission of the application has failed through [www.grants.gov](http://www.grants.gov), the following website should be accessed for the standard forms [www.cms.hhs.gov/GrantOpportunities/](http://www.cms.hhs.gov/GrantOpportunities/)

4. Narrative Program Description – CMS encourages States to submit as much of the following information as available in the initial application in order to assist in evaluating States' readiness in the creation and initial operations of a qualified high risk pool:

*Authority for the Establishment and Implementation of the Pool:* Provide copies of State laws, regulations and policies that provide specific authority for establishment of the pool and establishment of the mechanism for the revenue sources and projections for financial solvency of the pool.

*Administrative /Oversight of the Pool:* Provide description of the oversight function and structure of the following: Board, Administrator, Fiduciary and/or organization that will be responsible for the operations of the program.

*Current Resumes:* Provide current resumes and credentials for all professional personnel involved in the administration and oversight of the pool.

*Design of the Pool:* Describe all actions/steps taken up to the date of the application to create and implement the qualified high risk pool. Include the total cost to the State for these steps. Identify the amount of reserves, if known, that the State estimates it needs to develop a margin for paying initial claims once applications are accepted and coverage is provided.

*Implementation of the Pool:* Describe in detail the remaining steps to be taken for complete implementation with target dates for each step and the projected cost for the complete implementation.

*Contact Person:* Identify the name, position title, address, e-mail address, and telephone number of the person to contact for further information and questions.

*Appendices:* This section should include documents referenced in the grant application that would be more appropriately identified as attachments.

### 3. Submission Dates and Times

#### A. Notice of Intent to Apply

All Notices of Intent to Apply **must be faxed or e-mailed by May 30, 2006** to Nicole Nicholson at (410) 786-9088 (fax) or e-mail: [Nicole.Nicholson@cms.hhs.gov](mailto:Nicole.Nicholson@cms.hhs.gov).

### Grant Applications

All applications must be received no later than **June 30, 2006** in order to be considered on time. Applications submitted through **www.grants.gov** until 11:59 p.m. Eastern Time on June 30, 2006 will be considered “on time”. All applications will receive an automatic time stamp upon submission and applicants will receive an automatic e-mail reply acknowledging the applicant’s receipt.

Please note when submitting your application electronically, you are also required to mail a signed SF 424 to Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Group, MS C2-21-15, 7500 Security Blvd, Baltimore, MD 21244-1850. The **mailed** SF 424 form may be received at the Centers for Medicare & Medicaid Services within two (2) business days of the application closing date.

Any paper applications mailed through the U.S. Postal Service or a commercial delivery service will be considered “on time” if received by the close of business on the closing date or postmarked (first class mail) by the date specified. If express, certified, or registered mail is used, the applicant should obtain a legible dated mailing receipt from the U.S. Postal Service. Private metered postmarks are not acceptable as proof of timely mailings.

**Applications by facsimile (fax) transmission will not be accepted.**

#### **4. Intergovernmental Review**

Applications for these grants are not subject to review by States under Executive Order 12372 “Intergovernmental Review by Federal Agencies” (45 CFR Part 100).

#### **5. Funding Restrictions**

##### Indirect Cost

We recommend applicants review the OMB circulars in preparing budget information. This information is available at the following link: <http://www.whitehouse.gov/omb/circulars>.

### **V. Application Review Information**

#### **1. Criteria**

The review team will use the following criteria in reviewing the applications:

- A. **Insurance Mechanism:** The State’s proposed high-risk pool has a mechanism that can reasonably be expected to assure that it will have the administrative and legal capacity to provide health coverage to all qualified applicants.
- B. **Funding:** The State has described funding sources that can reasonably be expected to ensure that the pool will be able to be sustained and stay in operation after the grant funds have been expended.

#### **2. Review and Selection Process**

A team consisting of staff from CMS will review all applications. The team will meet as necessary on an ongoing basis as applications are received.

### **3. Anticipated Announcement and Award Dates**

The anticipated award date is September 30, 2006

## **VI. Award Administration Information**

### **1. Award Notices**

#### **A. Grant Awards - Notification and Award Letter**

Successful applicants will receive a Financial Assistance Award (FAA) signed and dated by the CMS Grant Management Officer. The FAA is the document authorizing the grant award and will be sent through the U.S. Postal Service to the applicant organization as listed on its SF 424. Any communication between CMS and the applicants prior to issuance of the FAA is not authorization to begin performance of the project.

#### **B. Grant Administration**

Each State that submits an application that is approved by CMS is eligible for a grant of up to \$1,000,000 for its cost of creation and initial operation of a qualified high-risk pool. To assure timely implementation of such a pool, the grants to each State will be distributed in phases, with the total amount of funding not to exceed \$1,000,000. The phases will be structured in the following manner:

1. Demonstration of authority to create a qualified high-risk pool and the implementation of a governing authority. The State must demonstrate that it has requested legal authority through legislation, regulation, or otherwise to develop a qualified high-risk pool and that a governing authority responsible for overseeing the risk pool has been created or designated, then the State will be eligible for an amount up to \$500,000. For example, if legislation has been enacted to create a qualified high-risk pool and a governing board has been established, that State could be eligible for this portion of the grant.
2. Establishment of insurance mechanism and commitment of staff. The State must demonstrate that the agency tasked to operate the qualified high-risk pool has committed the staff necessary for the successful initial operation of the pool, and has established the required administrative mechanism to assure the provision of health coverage, then the State will be eligible for an amount of up to \$500,000. For example, if a State entered into a contract to obtain administrative services for the pool, that State could be eligible for this portion of the grant.

#### **C. Grant Acceptance**

Awardees must submit a letter of acceptance to CMS, within 30 days of the date of the award, agreeing to the terms and conditions of the award letter. The letter should be mailed to: Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Groups, MS C2-21-15, 7500 Security Blvd, Baltimore, MD 21244-1850.

## **2. Administrative and National Policy Requirements**

- A. Specific administrative and policy requirements of awardees as outlined in 45 CFR Part 92 apply to this grant opportunity.
- B. Terms and Conditions – The awardees will be required to comply with the special terms and conditions associated with this grant award.

## **3. Reporting**

- A. The awardees must submit a quarterly report to CMS documenting the expenditure of the grant funds and the progress of the creation of the high-risk pool. These reports will continue to be submitted until all grant funds have been spent. See 45 CFR Parts 92.
- B. The awardees must keep sufficient records of the grant expenditures since the awardees may be subject to an audit. See 45 CFR Part 92.

## **VII. Agency Contacts**

### **CMS Contact Information**

#### Administrative Matters

Nicole Nicholson  
Grants Management Specialist  
Centers for Medicare & Medicaid Services  
Office of Operations Management, Acquisitions and Grants Group  
MS C2-21-15  
7500 Security Blvd.  
Baltimore, Maryland 21244-1850  
(410) 786-5158 office  
(410) 786-9088 fax  
E-mail: [Nicole.Nicholson@cms.hhs.gov](mailto:Nicole.Nicholson@cms.hhs.gov)

#### Technical Matters

Lyn Killman  
Health Insurance Specialist  
Centers for Medicare & Medicaid Services  
MS S2-01-16  
7500 Security Blvd  
Baltimore, Maryland 21244-1850  
(410) 786-5957 office  
(410) 786-8534 fax  
E-mail: [Lyn.Killman@cms.hhs.gov](mailto:Lyn.Killman@cms.hhs.gov)

Wanda Pigatt-Canty  
Health Insurance Specialist  
Centers for Medicare & Medicaid Services  
MS S2-01-06  
7500 Security Blvd.  
Baltimore, Maryland 21244  
(410) 786-6177 office  
(410) 786-5882 fax  
E-mail: [wanda.pigatt-canty@cms.hhs.gov](mailto:wanda.pigatt-canty@cms.hhs.gov)

#### **VIII. Other Information**

ATTACHMENT I – Sample Notice of Intent to Apply  
ATTACHMENT II- Grants Application Submission Checklist

**ATTACHMENT I**  
**CENTERS FOR MEDICARE & MEDICAID SERVICES**  
**NOTICE OF INTENT TO APPLY**

**Please complete and return by May 30, 2006**

Attention:  
Nicole Nicholson  
Centers for Medicare & Medicaid Services  
Office of Operations Management, Acquisition and Grants Groups,  
(410) 786- 9088 (Fax) or E-mail: [Nicole.Nicholson@cms.hhs.gov](mailto:Nicole.Nicholson@cms.hhs.gov)

Name of State: \_\_\_\_\_

Contact Name and Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Please check off the type of “Qualified High Risk Pool” Seed Grant application your State is planning to submit to CMS for review.

☐ Traditional Qualified High Risk Pool

☐ Alternative mechanism Qualified Risk Pool – briefly describe

**ATTACHMENT II**  
**CENTERS FOR MEDICARE & MEDICAID SERVICES**  
**2006 SEED GRANT TO STATES FOR QUALIFIED HIGH RISK POOLS**

**SEED GRANT APPLICATION SUBMISSION CHECK OFF  
COVERSHEET**

DATE: \_\_\_\_\_ STATE: \_\_\_\_\_

PROGRAM NAME: \_\_\_\_\_

**Grant Application Submission Check Off Coversheet**

Please mark an **X** beside all documents included in your application. If the item is not applicable mark "N/A" next to the item. This form should be placed on top of the actual application after your coverletter. Please verify that all items are present in your grant application.

**STANDARD FORMS** (please secure all necessary original signatures as specified)

- \_\_\_ Standard Form 424-
- \_\_\_ Standard Form 424A – all required sections
- \_\_\_ Standard Form 424B-Assurances
- \_\_\_ Standard Form –LLL Disclosure of Lobbying Activities

**NARRATIVE PROGRAM DESCRIPTION**

**Authority for the Establishment and Implementation of the Pool**

- \_\_\_ Copies of State laws, regulations and policies specific to establishment of the pool
- \_\_\_ Revenue Sources for Financing the Pool
- \_\_\_ Description/Plan for Financial Solvency of the Pool

**Administration/Oversight of the Pool**

- \_\_\_ Description of the Structure and Function of the Pool
- \_\_\_ Description of the Board, Administrator, Fiduciary and/or organization responsible for Administering the Pool
- \_\_\_ Current Resumes and Credentials for the Administrator and Other Key Personnel Involved in the Administration of the Board.

\_\_\_ **Design of the Pool**

\_\_\_ **Implementation of the Pool**

\_\_\_ **Contact Person**

\_\_\_ **Appendices**